



OREGON COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1999

**From The Office Of State Auditor
Claire McCaskill**

Report No. 2000-102
September 26, 2000
www.auditor.state.mo.us

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 2000

www.auditor.state.mo.us

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Oregon, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Oregon County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- Budgets were not prepared for several county funds. Actual disbursements exceeded budgeted amounts for some funds. It appears the county's procedures and reports are not resulting in effective monitoring of some budgets.
- The county did not enter into a formal written agreement with the Oregon County Recycling Association. According to the County Commission, the county verbally agreed to pay the Association \$22,800 per year for its services. However, this agreement was not discussed in the County Commission minutes and there was no documentation to support the amount paid.
- County employees include the lunch hour when reporting a 40 hour work week on their time sheets. As a result, some employees were compensated for overtime even though they may have actually worked less than 40 hours. This method is contradictory to the county personnel manual.

The county did not report some payments made to employees as income and did not withhold any payroll taxes. The county should review such payments with the IRS and take appropriate action.

(over)

YELLOW SHEET

- The county does not have adequate procedures in place to track federal awards for the preparation of the schedule of expenditures of federal awards. The county prepared a schedule for the years ended December 31, 1999 and 1998; however, the schedules did not include a majority of the programs the county was involved in. Without an accurate schedule of expenditures of federal awards, federal financial activity may not be audited and reported in accordance with federal requirements which could result in future reductions of federal funds to the county.
- Two forfeiture cases where funds were distributed to the county did not appear to be handled in accordance with state forfeiture laws.

Also included in the audit are recommendations to improve the accounting controls and procedures for the Sheriff, Health Center, and Senior Citizens' Board. Several of these issues have been noted in prior audits.

Copies of the audit are available upon request.

OREGON COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Oregon County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Oregon County, Missouri, as of and for the years ended December 31, 1999 and 1998, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Oregon County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Oregon County.

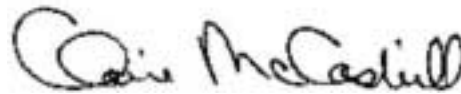
In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Oregon County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31,

1999 and 1998, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 27, 2000, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Oregon County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

July 27, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	David Holtmann, CPA
In-Charge Auditor:	Robert Showers
Audit Staff:	Mark Rodabaugh
	Jennifer Roderick
	Roy Sundermeyer



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Oregon County, Missouri

We have audited the special-purpose financial statements of various funds of Oregon County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 27, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

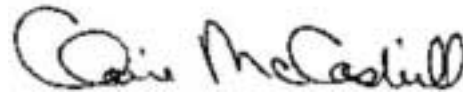
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Oregon County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Oregon County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not

necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which we have reported to the management of the county in the accompanying Management Advisory Report.

This report is intended for the information of the management of Oregon County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

July 27, 2000 (fieldwork completion date)

Financial Statements

Exhibit A-1

OREGON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1999

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 648,975	988,517	1,013,114	624,378
Special Road and Bridge	320,210	636,638	560,152	396,696
Assessment	0	103,512	103,512	0
Law Enforcement Training	2,994	3,384	3,023	3,355
Prosecuting Attorney Training	267	938	1,107	98
River Patrol	0	18,764	18,764	0
Federal Law Enforcement Forfeiture	7,960	11,801	5,000	14,761
Recorder's User Fees	37,900	8,511	0	46,411
Operation Cash Crop	8	989	943	54
Law Enforcement Donations	10,576	20,316	15,474	15,418
Prosecuting Attorney Bad Check	37	6,026	4,740	1,323
Prosecuting Attorney Special	66	488	0	554
Children's Trust	420	405	420	405
Health Center	55,132	328,524	343,186	40,470
Senate Bill 40 Board	75,874	61,210	78,000	59,084
Senior Citizens' Board	4,587	29,216	27,847	5,956
Associate Circuit Division Interest	935	797	357	1,375
Circuit Clerk Interest	6,507	3,908	2,829	7,586
Law Library	4,144	519	1,143	3,520
Total	\$ 1,176,592	2,224,463	2,179,611	1,221,444

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

OREGON COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 644,429	1,035,613	1,031,067	648,975
Special Road and Bridge	190,343	607,822	477,955	320,210
Assessment	0	98,305	98,305	0
Law Enforcement Training	1,636	3,725	2,367	2,994
Prosecuting Attorney Training	381	710	824	267
River Patrol	0	20,641	20,641	0
Federal Law Enforcement Forfeiture	12,687	273	5,000	7,960
Recorder's User Fees	32,359	6,150	609	37,900
Operation Cash Crop	8	0	0	8
Law Enforcement Donations	13,089	27,208	29,721	10,576
Prosecuting Attorney Bad Check	41	6,734	6,738	37
Prosecuting Attorney Special	36	30	0	66
Children's Trust	355	420	355	420
Health Center	65,988	322,357	333,213	55,132
Senate Bill 40 Board	56,951	55,023	36,100	75,874
Senior Citizens' Board	5,192	28,819	29,424	4,587
Associate Circuit Division Interest	544	678	287	935
Circuit Clerk Interest	4,951	1,556	0	6,507
Law Library	5,256	613	1,725	4,144
Total	\$ 1,034,246	2,216,677	2,074,331	1,176,592

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

OREGON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 38,950	39,924	974	26,768	30,574	3,806
Sales taxes	650,000	630,468	(19,532)	584,272	634,866	50,594
Intergovernmental	152,635	158,004	5,369	132,094	193,739	61,645
Charges for services	107,200	106,979	(221)	99,400	105,109	5,709
Interest	28,615	19,270	(9,345)	26,063	27,115	1,052
Other	28,860	28,580	(280)	31,060	33,935	2,875
Transfers in	4,000	5,292	1,292	8,000	10,275	2,275
Total Receipts	1,010,260	988,517	(21,743)	907,657	1,035,613	127,956
DISBURSEMENTS						
County Commission	74,010	70,101	3,909	60,050	54,951	5,099
County Clerk	84,318	79,175	5,143	70,025	66,678	3,347
Elections	17,500	11,822	5,678	35,190	29,225	5,965
Buildings and grounds	37,656	29,250	8,406	38,956	29,606	9,350
Employee fringe benefits	125,000	103,769	21,231	107,500	103,648	3,852
County Treasurer	28,443	28,103	340	20,675	20,551	124
County Collector	71,220	68,622	2,598	56,778	54,468	2,310
Ex Officio Recorder of Deeds	30,378	23,365	7,013	28,750	26,258	2,492
Circuit Clerk	15,500	14,471	1,029	14,700	9,424	5,276
Associate Circuit Court	9,950	6,344	3,606	9,750	6,271	3,479
Court administration	1,406	781	625	1,375	1,182	193
Public Administrator	17,625	17,116	509	17,575	17,426	149
Sheriff	221,375	227,765	(6,390)	218,810	214,680	4,130
Jail	60,649	54,578	6,071	22,699	41,742	(19,043)
Prosecuting Attorney	84,594	73,695	10,899	70,348	67,685	2,663
Juvenile Officer	51,265	48,133	3,132	54,204	53,778	426
County Coroner	6,700	6,288	412	6,770	5,901	869
Court Reporter	456	174	282	456	261	195
Other	167,556	116,613	50,943	153,981	197,456	(43,475)
Public health and welfare services	500	0	500	500	0	500
Transfers out	45,001	32,949	12,052	46,061	29,876	16,185
Emergency Fund	30,308	0	30,308	35,000	0	35,000
Total Disbursements	1,181,410	1,013,114	168,296	1,070,153	1,031,067	39,086
RECEIPTS OVER (UNDER) DISBURSEMENTS	(171,150)	(24,597)	146,553	(162,496)	4,546	167,042
CASH, JANUARY 1	648,975	648,975	0	644,429	644,429	0
CASH, DECEMBER 31	\$ 477,825	624,378	146,553	481,933	648,975	167,042

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

OREGON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 88,000	88,017	17	80,700	83,428	2,728
Intergovernmental	637,150	519,588	(117,562)	615,800	501,907	(113,893)
Interest	3,500	11,234	7,734	4,500	7,085	2,585
Other	5,900	7,871	1,971	1,650	5,959	4,309
Transfers in	9,750	9,928	178	9,000	9,443	443
Total Receipts	744,300	636,638	(107,662)	711,650	607,822	(103,828)
DISBURSEMENTS						
Salaries	185,000	171,309	13,691	175,000	159,860	15,140
Employee fringe benefits	54,520	43,927	10,593	47,110	42,010	5,100
Supplies	58,000	52,903	5,097	64,650	47,710	16,940
Insurance	7,500	5,800	1,700	10,000	5,872	4,128
Road and bridge materials	213,000	66,657	146,343	217,500	66,244	151,256
Equipment repairs	25,000	16,731	8,269	25,000	18,202	6,798
Rentals	1,000	1,200	(200)	1,000	384	616
Equipment purchases	125,000	104,798	20,202	100,000	41,963	58,037
Construction, repair, and maintenance	81,500	81,976	(476)	78,000	80,415	(2,415)
Other	19,275	14,851	4,424	21,700	15,295	6,405
Total Disbursements	769,795	560,152	209,643	739,960	477,955	262,005
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25,495)	76,486	101,981	(28,310)	129,867	158,177
CASH, JANUARY 1	320,210	320,210	0	190,343	190,343	0
CASH, DECEMBER 31	\$ 294,715	396,696	101,981	162,033	320,210	158,177

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

OREGON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ASSESSMENT FUND

Year Ended December 31,						
1999			1998			
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 88,851	69,451	(19,400)	71,476	68,524	(2,952)
Charges for services	1,000	1,000	0	1,000	1,000	0
Interest	100	97	(3)	200	137	(63)
Other	750	1,779	1,029	767	1,793	1,026
Transfers in	43,000	31,185	(11,815)	46,061	26,851	(19,210)
Total Receipts	133,701	103,512	(30,189)	119,504	98,305	(21,199)
DISBURSEMENTS						
Assessor	129,701	103,512	26,189	115,504	94,305	21,199
Transfers out	4,000	0	4,000	4,000	4,000	0
Total Disbursements	133,701	103,512	30,189	119,504	98,305	21,199
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	\$ 0	0	0	0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

OREGON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT TRAINING FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Intergovernmental	\$ 800	1,047	400	897	497	
Charges for services	2,525	2,277	2,600	2,778	178	
Interest	45	60	0	50	50	
Total Receipts	3,370	3,384	3,000	3,725	725	
DISBURSEMENTS						
Sheriff	3,600	3,023	3,100	2,367	733	
Total Disbursements	3,600	3,023	3,100	2,367	733	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(230)	361	(100)	1,358	1,458	
CASH, JANUARY 1	2,994	2,994	1,636	1,636	0	
CASH, DECEMBER 31	\$ 2,764	3,355	1,536	2,994	1,458	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

OREGON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY TRAINING FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Charges for services	\$ 1,150	938	1,150	710	(440)	
Total Receipts	1,150	938	1,150	710	(440)	
DISBURSEMENTS						
Prosecuting Attorney	1,317	1,107	1,531	824	707	
Total Disbursements	1,317	1,107	1,531	824	707	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(167)	(169)	(381)	(114)	267	
CASH, JANUARY 1	267	267	381	381	0	
CASH, DECEMBER 31	\$ 100	98	0	267	267	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

OREGON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
RIVER PATROL FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Intergovernmental	\$ 11,000	17,000	10,600	17,617	7,017	
Transfer in	2,000	1,764	0	3,024	3,024	
Total Receipts	13,000	18,764	10,600	20,641	10,041	
DISBURSEMENTS						
Salaries	5,000	6,724	4,635	7,183	(2,548)	
Mileage	6,000	408	1,915	6,134	(4,219)	
Miscellaneous	460	6,340	409	1,049	(640)	
Transfer out	1,540	5,292	3,641	6,275	(2,634)	
Total Disbursements	13,000	18,764	10,600	20,641	(10,041)	
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	
CASH, JANUARY 1	0	0	0	0	0	
CASH, DECEMBER 31	\$ 0	0	0	0	0	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

OREGON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
FEDERAL LAW ENFORCEMENT FORFEITURE FUND

		Year Ended December 31,					
		1999			1998		
				Variance			Variance
		Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
RECEIPTS							
Intergovernmental	\$	0	11,485	11,485	10,000	0	(10,000)
Interest		250	316	66	200	273	73
Total Receipts		250	11,801	11,551	10,200	273	(9,927)
DISBURSEMENTS							
Equipment		7,000	5,000	2,000	5,000	5,000	0
Total Disbursements		7,000	5,000	2,000	5,000	5,000	0
RECEIPTS OVER (UNDER) DISBURSEMENTS							
		(6,750)	6,801	13,551	5,200	(4,727)	(9,927)
CASH, JANUARY 1		7,960	7,960	0	12,687	12,687	0
CASH, DECEMBER 31	\$	1,210	14,761	13,551	17,887	7,960	(9,927)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

OREGON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 RECORDER'S USER FEES FUND

		Year Ended December 31,					
		1999			1998		
				Variance Favorable			Variance Favorable
		Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
RECEIPTS							
Intergovernmental	\$	0	2,633	2,633	0	0	0
Charges for services		6,000	4,984	(1,016)	5,000	5,338	338
Interest		750	894	144	750	812	62
Total Receipts		6,750	8,511	1,761	5,750	6,150	400
DISBURSEMENTS							
Ex Officio Recorder of Deeds		10,600	0	10,600	19,500	609	18,891
Total Disbursements		10,600	0	10,600	19,500	609	18,891
RECEIPTS OVER (UNDER) DISBURSEMENTS		(3,850)	8,511	12,361	(13,750)	5,541	19,291
CASH, JANUARY 1		37,900	37,900	0	32,359	32,359	0
CASH, DECEMBER 31		\$ 34,050	46,411	12,361	18,609	37,900	19,291

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

OREGON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
OPERATION CASH CROP FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Intergovernmental	\$ 1,000	989	1,000	0	(1,000)	
Total Receipts	1,000	989	1,000	0	(1,000)	
DISBURSEMENTS						
Sheriff	1,000	943	1,000	0	1,000	
Total Disbursements	1,000	943	1,000	0	1,000	
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	46	0	0	0	
CASH, JANUARY 1	8	8	8	8	0	
CASH, DECEMBER 31	\$ 8	54	8	8	0	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

OREGON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT DONATIONS FUND

		Year Ended December 31,					
		1999			1998		
				Variance			Variance
		Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
RECEIPTS							
Interest	\$	250	245	(5)	600	248	(352)
Other		25,000	20,071	(4,929)	30,000	26,960	(3,040)
Total Receipts		25,250	20,316	(4,934)	30,600	27,208	(3,392)
DISBURSEMENTS							
Sheriff		22,912	15,474	7,438	20,541	29,721	(9,180)
Total Disbursements		22,912	15,474	7,438	20,541	29,721	(9,180)
RECEIPTS OVER (UNDER) DISBURSEMENTS							
CASH, JANUARY 1		10,576	10,576	0	13,089	13,089	0
CASH, DECEMBER 31	\$	12,914	15,418	2,504	23,148	10,576	(12,572)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

OREGON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY BAD CHECK FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Charges for services	\$ 7,500	6,026	7,000	6,734	(266)	
Total Receipts	7,500	6,026	7,000	6,734	(266)	
DISBURSEMENTS						
Prosecuting Attorney	7,537	4,740	7,000	6,738	262	
Total Disbursements	7,537	4,740	7,000	6,738	262	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(37)	1,286	0	(4)	(4)	
CASH, JANUARY 1	37	37	41	41	0	
CASH, DECEMBER 31	\$ 0	1,323	41	37	(4)	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

OREGON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY SPECIAL FUND

Year Ended December 31,						
1999				1998		
		Variance				Variance
		Favorable				Favorable
		(Unfavorable)				(Unfavorable)
	Budget	Actual		Budget	Actual	
RECEIPTS						
Intergovernmental	\$ 200	488	288	367	30	(337)
Total Receipts	200	488	288	367	30	(337)
DISBURSEMENTS						
Prosecuting Attorney	266	0	266	367	0	367
Total Disbursements	266	0	266	367	0	367
RECEIPTS OVER (UNDER) DISBURSEMENTS	(66)	488	554	0	30	30
CASH, JANUARY 1	66	66	0	36	36	0
CASH, DECEMBER 31	\$ 0	554	554	36	66	30

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

OREGON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
CHILDREN'S TRUST FUND

Year Ended December 31,1999			
			Variance
	Budget	Actual	Favorable
			(Unfavorable)
RECEIPTS			
Charges for services	\$ 450	405	(45)
Total Receipts	450	405	(45)
DISBURSEMENTS			
Payments to shelters	420	420	0
Total Disbursements	420	420	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	30	(15)	(45)
CASH, JANUARY 1	420	420	0
CASH, DECEMBER 31	\$ 450	405	(45)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

OREGON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HEALTH CENTER FUND

		Year Ended December 31,					
		1999			1998		
		Revised Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Property taxes	\$	54,000	58,476	4,476	49,000	52,591	3,591
Intergovernmental		193,220	199,358	6,138	174,100	169,651	(4,449)
Charges for services		66,900	56,237	(10,663)	85,000	83,103	(1,897)
Interest		3,000	2,245	(755)	3,800	3,262	(538)
Other		1,700	12,208	10,508	12,584	13,750	1,166
Total Receipts		318,820	328,524	9,704	324,484	322,357	(2,127)
DISBURSEMENTS							
Salaries		235,755	242,910	(7,155)	250,415	241,792	8,623
Office expenditures		20,355	32,727	(12,372)	26,500	24,031	2,469
Mileage and training		8,868	10,955	(2,087)	13,200	14,177	(977)
Clinic		46,206	39,359	6,847	33,700	35,133	(1,433)
Other		7,636	17,235	(9,599)	14,400	18,080	(3,680)
Total Disbursements		318,820	343,186	(24,366)	338,215	333,213	5,002
RECEIPTS OVER (UNDER) DISBURSEMENTS		0	(14,662)	(14,662)	(13,731)	(10,856)	2,875
CASH, JANUARY 1		55,132	55,132	0	65,988	65,988	0
CASH, DECEMBER 31	\$	55,132	40,470	(14,662)	52,257	55,132	2,875

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

OREGON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SENATE BILL 40 BOARD FUND

	Year Ended December 31,					
	1999			1998		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 52,000	57,311	5,311	49,667	51,399	1,732
Interest	3,500	3,899	399	1,900	3,624	1,724
Total Receipts	55,500	61,210	5,710	51,567	55,023	3,456
DISBURSEMENTS						
Payments to Sheltered Workshop	12,000	12,000	0	48,000	36,000	12,000
Building and grounds	106,700	65,900	40,800	0	0	0
Other	100	100	0	150	100	50
Total Disbursements	118,800	78,000	40,800	48,150	36,100	12,050
RECEIPTS OVER (UNDER) DISBURSEMENTS	(63,300)	(16,790)	46,510	3,417	18,923	15,506
CASH, JANUARY 1	78,874	75,874	(3,000)	56,951	56,951	0
CASH, DECEMBER 31	\$ 15,574	59,084	43,510	60,368	75,874	15,506

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Q

OREGON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SENIOR CITIZENS' BOARD FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Property taxes	\$ 30,000	28,716	28,000	28,043	43	
Intergovernmental	0	500	0	776	776	
Total Receipts	30,000	29,216	28,000	28,819	819	
DISBURSEMENTS						
Payments for senior services	31,000	27,200	31,000	28,500	2,500	
Pass through grant monies	0	500	0	776	(776)	
Other	0	147	0	148	(148)	
Total Disbursements	31,000	27,847	31,000	29,424	1,576	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000)	1,369	(3,000)	(605)	2,395	
CASH, JANUARY 1	4,553	4,587	4,491	5,192	701	
CASH, DECEMBER 31	\$ 3,553	5,956	1,491	4,587	3,096	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

OREGON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Oregon County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board, the Senate Bill 40 Board or the Senior Citizens' Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1999, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Children's Trust Fund	1998
Associate Circuit Division Interest Fund	1999 and 1998
Circuit Clerk Interest Fund	1999 and 1998
Law Library Fund	1999 and 1998

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
River Patrol Fund	1999 and 1998
Law Enforcement Donation Fund	1998
Health Center Fund	1999

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Children's Trust Fund	1999 and 1998
Health Center Fund	1999 and 1998
Senate Bill 40 Board Fund	1999 and 1998
Senior Citizens' Board Fund	1999 and 1998
Associate Circuit Division Interest Fund	1999 and 1998
Circuit Clerk Interest Fund	1999 and 1998
Law Library Fund	1999 and 1998

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1999, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The financial statements do not include the cash balances of the County Collector, who collects and distributes property taxes as an agent for various local governments. However, for the purpose of these risk disclosures, the County Collector's cash balances are included since collateral securities to cover amounts not covered by federal depositary insurance are pledged to the county rather than to specific county officials.

Of the county's bank balance at December 31, 1999, \$389,777 was covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name, and \$2,028,000 was covered by collateral held by the pledging (or depositary) bank's trust department or agent in the county's name.

Of the county's bank balance at December 31, 1998, \$405,366 was covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name, and \$1,865,577 was covered by collateral held by the pledging (or depositary) bank's trust department or agent in the county's name.

However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

To protect the safety of the county deposits, Section 110.020, RSMo 1994, requires depositaries to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

The Health Center Board's, Senate Bill 40 Board's, and the Senior Citizens' Board's deposits at December 31, 1999 and 1998, were entirely covered by federal depositary insurance.

Supplementary Schedule

Schedule

OREGON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1999	1998
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ER 00450175 \$	61,070	66,261
10.572	Farmers' Market Nutrition Program	N/A	7,963	0
Office of Administration -				
10.665	Schools and Roads - Grants to States	N/A	164,317	141,316
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Social Services -				
14.231	Emergency Shelter Grants Program	N/A	5,000	10,000
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.unknown	Equitable Sharing of Seized and Forfeited Property	N/A	5,000	5,000
Passed through:				
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	943	0
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety:				
83.534	Emergency Management - State and Local Assistance	N/A	2,803	2,917

Schedule

OREGON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1999	1998
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct program -				
93.268	Immunization Grants	N/A	698	344
Passed through state:				
Department of Health -				
93.197	Childhood Lead Poisoning Prevention Projects - State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	N/A	9	0
93.268	Immunization Grants	514-PG00649175	20,420	26,849
Department of Social Services -				
93.563	Child Support Enforcement	N/A	2,205	1,218
Department of Health -				
93.575	Child Care and Development Block Grant	PGA067-0175C	4,114	2,535
Department of Health -				
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ER 0161-90082	24,493	15,231
93.940	HIV Prevention	N/A	0	5
93.945	Special Project on Physical Activity and Nutrition	906265001	1,063	0
93.991	Preventive Health and Health Services Block Grant	906077001	15,921	592
93.994	Maternal and Child Health Services Block Grant to the States	ERS 146-0175M	27,629	22,343
Total Expenditures of Federal Awards			\$ 343,648	294,611

N/A - Not applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

OREGON COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Oregon County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals. . . .

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

The direct program amounts for Immunization Grants (CFDA number 93.268) represent the original acquisition cost of varicella (chicken pox) vaccine provided to the Health Center through the Centers for Disease Control of the U.S. Department of Health and Human Services. Of the pass-through amounts for that program, \$19,135

and \$22,804 represent the original acquisition cost of other vaccines purchased by the Centers for Disease Control but distributed to the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. Of the amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991), \$228 and \$592 represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. Of the amounts for the Maternal and Child Health Services Block Grants to the states (CFDA number 93.994), \$1,139 and \$2,073 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. The remaining pass-through amounts for Immunization Grants, the Preventive Health and Health Services Block Grant, and the Maternal and Child Health Services Block Grant to the State represent cash disbursements.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 1999 and 1998.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Oregon County, Missouri

Compliance

We have audited the compliance of Oregon County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Oregon County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998. However, the results of our auditing procedures disclosed an

instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 99-1.

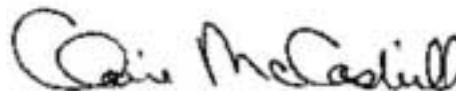
Internal Control Over Compliance

The management of Oregon County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 99-1.

A material weakness is a condition in which the design of operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information of the management of Oregon County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Claire McCaskill".

Claire McCaskill
State Auditor

July 27, 2000 (fieldwork completion date)

Schedule

OREGON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 1999 AND 1998

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes x no

Reportable conditions identified that are
not considered to be material weaknesses? yes x none reported

Noncompliance material to the financial statements
noted? yes x no

Federal Awards

Internal control over major programs:

Material weaknesses identified? yes x no

Reportable conditions identified that are
not considered to be material weaknesses? x yes none reported

Type of auditor's report issued on compliance for
major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133? x yes no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.665	Schools and Roads – Grants to States

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

_____ yes x no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

99-1

Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	Missouri Department of Health
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for Women, Infants, and Children
Pass-Through Entity	
Identifying Number:	ER 00450175
Award Year:	1999 and 1998
Questioned Costs:	Not Applicable

Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	Missouri Office of Administration
Federal CFDA Number:	10.665
Program Title:	Schools and Roads – Grants to States
Pass-Through Entity	
Identifying Number:	Not applicable
Award Year:	1999 and 1998
Questioned Costs:	Not Applicable

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the schedule of expenditures of federal awards to the State Auditor's office as a part of the annual budget.

The county does not have adequate procedures in place to track federal awards for the preparation of the SEFA. The county prepared a SEFA for the years ended December 31,

1999 and 1998; however, the schedule did not include twelve of the sixteen programs the county was involved in during 1999, and nine of the thirteen programs the county was involved in during 1998. Four of the programs omitted were handled by the Oregon County Health Department. In addition, the information presented by the County Clerk for several of the programs presented did not agree with the county's expenditure records.

For the federal financial schedules to adequately reflect the county's federal financial assistance expenditures, it is necessary that all federal expenditures be properly reported. Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal requirements which could result in future reductions of federal funds to the county.

WE RECOMMEND the County Clerk work with Oregon County Health Department to prepare and complete an accurate schedule of federal awards and submit the schedule to the State Auditor's office as part of the annual budget.

AUDITEE'S RESPONSE AND CORRECTIVE ACTION PLAN

The County Clerk provided the following response:

I agree with the recommendation and have already started to work with the Oregon County Health Department to ensure all programs are included.

The Health Center Administrator provided the following response:

We agree with the recommendation and will ensure the County Clerk receives the appropriate information.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

OREGON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Our prior report issued for the two years ended December 31, 1997, included no audit findings that Government Auditing Standards requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

OREGON COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Our prior audit report issued for the two years ended December 31, 1997, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

OREGON COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the special-purpose financial statements of various funds of Oregon County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 27, 2000. We also have audited the compliance of Oregon County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 27, 2000.

We also have reviewed the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this review were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable constitutional, statutory, or contractual provisions.

Our review was made in accordance with applicable generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our review, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our review was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our review of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audits of the special-purpose financial statements of Oregon County but do not meet the criteria for inclusion in the written reports on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1. Budgets, Financial Statements and Written Agreement

- A. Actual disbursements exceeded budgeted amounts by \$9,180 for the Law Enforcement Donations Fund for the year ended December 31, 1998, and the River Patrol Fund by \$5,764 and \$10,041 for the years ended December 31, 1999 and 1998, respectively. Budget progress reports are generated periodically and provided to the various county officials. However, it appears the county's procedures and reports are not resulting in effective monitoring of some budgets.

It was ruled in State Ex. Rel. Strong v. Cribb, 364 Mo.1122, 273 SW 2d (1954), that strict compliance with the county budget law is required by county officials.

If there are valid reasons which necessitate excess disbursements, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office. In addition, Section 50.622, RSMo Cum. Supp. 1999, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

- B. Budgets were not prepared for several county funds during the years ended December 31, 1999 and 1998.

Chapter 50, RSMo 1994 and RSMo Cum. Supp. 1999, requires the preparation of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county funds, the County Commission is able to more efficiently evaluate all county financial resources.

- C. The annual published financial statements of the county did not include the financial activity of some county funds as required. Section 50.800, RSMo 1994, provides that financial statements are required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for all county funds. For the published financial statements to adequately inform the citizens of the county's financial activities, all monies received and disbursed by the county should be included.
- D. The county did not enter into a formal written agreement with the Oregon County Recycling Association. According to the County Commission, the county verbally agreed to pay the Association \$22,800 per year for its services. However, this agreement was not discussed in the County Commission minutes and there was no documentation to support the amount paid.

Written agreements provide the framework necessary to detail the services to be provided and the compensation to be paid. In addition, Section 432.070, RSMo 1994, prohibits a county from making a contract unless it is in writing. In

addition to being required by statute, written contracts are necessary to document the duties, rights, and responsibilities of each party and should establish performance criteria which must be met prior to payment for work completed. Commission minutes should document approval of all agreements.

Conditions similar to A and B were noted in our prior report.

WE RECOMMEND the County Commission:

- A. Not authorize disbursements in excess of budgeted amounts.
- B. Ensure budgets are prepared or obtained for all county funds.
- C. Ensure financial information for all county funds is properly reported in the published financial statements.
- D. Enter into written agreements for all services. The written agreement should detail all duties to be performed and the compensation to be paid under the agreement.

AUDITEE'S RESPONSE

- A. *We agree. We discussed the additional funds with the applicable officials and will ensure budget revisions are made in the future.*
- B. *This will be done with the next budget process.*
- C. *We will require a financial statement from each board or official to be included with the county's published financial statement each year.*
- D. *This will be implemented by January, 2001.*

2. Payroll and Personnel Procedures
--

- A. County employees include the lunch hour when reporting a 40 hour workweek on their time sheets. As a result, we noted that some employees were compensated for overtime even though they may have actually worked less than 40 hours. This method is contradictory to the county personnel manual which states, "Overtime will be compensated only after 40 hours have been exceeded in one workweek."
- B. The county paid an employee \$1,926 and \$1,709 during the years ended December 31, 1999 and 1998, respectively, in lieu of county paid health insurance benefits. The county did not report the payments as income to the employee and did not withhold any payroll taxes from the payments. Since health insurance is provided to county employees as a non-taxable fringe benefit, it is unclear how

these payments in lieu of county paid health insurance should be handled. The county should review these payments with the IRS and take appropriate action.

- C. During the year ended December 31, 1998, the county paid additional compensation of \$2,528 to a deputy sheriff from the Law Enforcement Donations Fund. The county failed to include these compensation payments in the amount reported on the applicable employee's W-2 form or to withhold any payroll taxes from the payments.

The IRS requires employers to properly report all income on an employee's W-2 form and to withhold the required payroll taxes.

A condition similar to Part A was noted in our prior report.

WE RECOMMEND the County Commission:

- A. Ensure overtime is only compensated in accordance with the county personnel manual.
- B. Review the payments in lieu of county paid health insurance with the IRS and take appropriate action.
- C. Ensure all applicable employee payroll taxes are properly withheld, reported on employee W-2 forms, and paid to the applicable authorities for all compensation paid.

AUDITEE'S RESPONSE

- A. *We will amend our personnel policy by January, 2001.*
- B. *We will discuss this issue with the IRS by January, 2001.*
- C. *We agree.*

3. Distribution of Forfeited Property
--

During our review of the transactions of the Federal Law Enforcement Forfeiture Fund, we noted a receipt of \$2,275 from the Missouri Highway Patrol. A further review of this receipt revealed the following:

The \$2,275 represented cash seized in connection with a drug related arrest which had been incorrectly deposited into the Federal Law Enforcement Forfeiture Fund. A state forfeiture proceeding was initiated in the court to attempt to forfeit the money under state law. The forfeiture case was dismissed when the defendant, as part of a plea agreement, plead guilty to a felony drug charge and agreed to pay the \$2,275 to the Oregon County Law Enforcement Donations Fund. This agreement does not appear to be in accordance

with Section 513.617, RSMo 1994, which states “seized property shall not be used in bargaining to defer prosecution of criminal charges, obtain a guilty plea or affect sentencing recommendations.”

We also noted a second forfeiture case in which the forfeited property did not appear to be distributed in accordance with state statute. A forfeiture proceeding was initiated to attempt forfeiture under state law. The money seized (\$454) was ordered by the court to be paid to the Oregon County Sheriff’s Department. This money is currently being held by the sheriff’s department in their evidence room. The distribution of forfeited property to the county Sheriff does not appear to be supported by Section 513.623, RSMo 1994, which requires the clear proceeds of any sale or disposition (of forfeited money) be distributed pursuant to Article IX, Section 7, of the Missouri Constitution. Prior to August 31, 1998, this section required forfeiture proceeds be distributed to the schools of the county. Effective August 31, 1998, Section 166.300, RSMo, Cumulative Supp. 1999 requires all civil forfeitures to be transmitted to the state for deposit into the School Building Revolving Fund.

WE RECOMMEND the Prosecuting Attorney ensure funds forfeited under state law are distributed and handled in accordance with state forfeiture laws.

AUDITEE’S RESPONSE

I will review the applicable statutes in conjunction with your recommendation on any future forfeitures.

4. Sheriff’s Accounting Controls and Procedures
--

Our review of the Sheriff’s accounting controls and procedures noted the following concerns:

- A. The duties of cash custody and record keeping have not been adequately segregated. One deputy clerk is primarily responsible for collecting, recording, depositing, and disbursing all monies received. The deputy clerk also performs monthly bank reconciliation and prepares the monthly report of fees. We noted no documented reviews by the Sheriff of cash activities. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Proper segregation of duties helps provide this assurance. If adequate segregation is not possible, there should be a documented review made by the Sheriff.
- B. The Sheriff’s office accepts cash, checks, and money orders. The method of payment is not always indicated on the receipt slips or the receipts ledger. To ensure receipts are deposited intact, the method of all payments should be indicated on the receipt slips. In addition, the composition (cash, check, and

money orders) noted on receipt slips should be reconciled to the composition of bank deposits.

- C. Receipts are not deposited intact on a timely basis. To adequately safeguard monies and reduce the risk of loss or misuse of funds, deposits should be made intact daily or when accumulated receipts exceed \$100.

Similar conditions were noted in our prior report.

WE AGAIN RECOMMEND the Sheriff:

- A. Ensure accounting and receipting duties are segregated to the best extent possible. At a minimum, the Sheriff should perform documented reviews of the work performed.
- B. Ensure the method of payments is indicated on all receipt slips and reconcile total cash, check, and money orders to bank deposits.
- C. Ensure receipts are deposited intact daily or when accumulated receipts exceed \$100.

AUDITEE'S RESPONSE

- A. *I agree. I plan on reviewing the work and documenting my review on a quarterly basis.*
- B. *This has been implemented.*
- C. *I agree. We are making every effort to deposit on a timely basis.*

5. Oregon County Health Center

- A. Prenumbered receipt slips are not issued for some monies received by the Health Center. Prenumbered receipt slips should be issued for all monies received to ensure receipts are accounted for properly.
- B. The Health Center accepts cash, checks, and money orders. The method of payment is not always indicated on the receipt slips or the cash control. To ensure receipts are deposited intact, the method of all payments should be indicated on the receipt slips or the cash control. In addition, the composition (cash, checks, and money orders) noted on receipt slips or the cash control should be reconciled to the composition of bank deposits.
- C. While it appears the Health Center Board monitors the financial activity throughout the year, the board approved disbursements in excess of budgeted amounts by \$24,366 for the year ended December 31, 1999.

It was ruled in State ex rel. Strong v. Cribb, 364 Mo. 1122, 273 SW2d 246 (1954), that strict compliance with the county budget law is required by county officials.

If there are valid reasons which necessitate excess disbursements, amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office. In addition, Section 50.622, RSMo Cum. Supp. 1999, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

- D. The Health Center Board does not maintain property control records to account for property owned. Without adequate records the Health Center cannot adequately monitor the property for which it is responsible and may not be sure of all the property it owns.

Adequate property records are necessary to meet statutory requirements, secure better internal control over health center property, and provide a basis for determining proper insurance coverage required on health center property.

Similar conditions were noted in our prior report and the health center officials responded that they would implement these recommendations; however, little or no corrective action has been taken.

WE AGAIN RECOMMEND the Health Center Board:

- A. Require prenumbered receipt slips be issued for all monies received.
- B. Require the method of payment be indicated on all receipt slips or the cash control and require total cash, checks, and money orders be reconciled to bank deposits.
- C. Not authorize disbursements in excess of budgeted amounts. If valid reasons necessitate additional disbursements, the original budget should be formally amended and reasons thoroughly documented.
- D. Require property records to be maintained on a current basis with the following information for each item:
- 1) Identification number;
 - 2) Description of the item to include name, make, model, and serial number where appropriate;
 - 3) Physical location in sufficient detail to readily locate the item;
 - 4) Date of acquisition;
 - 5) Original cost and current market value;
 - 6) Source of acquisition by fund; and
 - 7) Date and method of disposition.

AUDITEE'S RESPONSE

The Health Center Administrator provided the following responses:

- A. We have been working to ensure that all monies have been recorded since the latter part of 1999. We will review the procedures for the flu clinic and take appropriate actions.*
- B. This has been implemented.*
- C. This will be done in the future.*
- D. We have recently conducted an inventory and prepared a record identifying all items over \$500. Items are identified by their specific location.*

6. Oregon County Senior Citizens' Board
--

In 1999 and 1998, the Senior Citizens' Board (SCB) paid a total of \$27,200 and \$28,500, respectively, to several not-for-profit (NFP) corporations to provide services for senior citizens. Our review of the SCB's association with the NFP corporation disclosed the following concerns:

- A. Pursuant to Section 432.070 RSMo 1994, the essential terms of a government contract are required to be in writing; however, the SCB has not entered into written contracts with each NFP corporation. Each contract should state the amount to be paid to the NFP corporation, the amount of services to be provided by the NFP corporation, and the time period of the contract. The contract should be signed by both parties.
- B. Currently, one member of the SCB also serves as the secretary of one of the NFP boards. In addition, this member's husband serves on the same NFP board. Because the SCB and the respective NFP corporation transact business with each other, this situation presents a potential conflict of interest.

To provide greater assurance the SCB is acting independently and in the best interest of the county, there should be no administrative or financial ties between members of the county board and the group(s) with which it transacts business.

- C. The SCB prepared only budgeted information for each of the two years ended December 31, 1999. The budgets did not include prior year actual revenues or expenditures. Additionally, beginning cash balances were inaccurate and detailed information did not agree to accounting records. Chapter 50, RSMo. Cum. Supp. 1999, requires preparation of annual budgets for all funds to present a complete financial plan for the ensuing year.

Similar conditions were noted in our prior report.

WE AGAIN RECOMMEND:

- A. The SCB enter into a written contract with each NFP to specify the amount to be paid to the NFP corporation, the amount of services to be provided by the NFP corporation, and the time period of the contract. In addition, the contract should be signed by both parties.
- B. The County Commission, in the future, appoint persons to the SCB who are not administratively or financially involved in groups with which the county board conducts transactions.
- C. The SCB prepare budgets as required by state law.

AUDITEES RESPONSE

The Board Treasurer provided the following responses:

- A. *This is currently being done for all new requests.*
- B. *The County Commission is responsible for appointing the SCB members.*
- C. *This will be done for the 2001 budget.*

The County Commission provided the following response:

- B. *We will review this in our future appointments.*

This report is intended for the information of the management of Oregon County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

OREGON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Oregon County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the two years ended December 31, 1997.

The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the county should consider implementing these recommendations.

1. Budgetary Practices

- A. Disbursements were issued in excess of approved budgeted disbursements in several funds.
- B. Formal budgets were not prepared for various county funds for the years ended December 31, 1997 and 1996.

Recommendation:

The County Commission:

- A. Not authorize disbursements in excess of budgeted amounts.
- B. Ensure budgets are prepared or obtained for all county funds.

Status:

A&B. Not Implemented. See MAR No. 1.

2. Payroll and Personnel Procedures

- A. The Prosecuting Attorney was overpaid \$1,000 for the year ended December 31, 1997.
- B. Some employees were compensated for overtime even though they may have worked less than 40 hours. This method of compensating overtime was contradictory to the county personnel manual.

Recommendation:

The County Commission:

- A. Seek reimbursement of \$1,000 from the Prosecuting Attorney.

- B. Ensure overtime is only compensated in accordance with the county personnel manual.

Status:

- A. Not implemented. Upon further review the County Commission decided to allow the Prosecuting Attorney to keep the \$1,000 overpayment due to the many extra hours spent on a complex case. Although not repeated in the current report, our recommendation remains as stated above.
- B. Not implemented. See MAR No. 2.

3. Federal Financial Assistance

The Oregon County Health Department prepared and submitted duplicate reimbursement claims resulting in overpayment of \$134 by the Department of Health through the Dental Sealants grant program.

Recommendation:

The Health Center work with the Department of Health to resolve the \$134 overpayment.

Status:

Implemented.

4. Assessor's Accounting Controls and Procedures

- A. Prenumbered receipt slips were not issued for some monies received and other receipt slips issued did not always indicate the method of payment received.
- B. Some receipt slips were not posted to the receipt ledger.

Recommendation:

The Assessor:

- A. Issue prenumbered receipt slips for all monies received, indicate the method of payment on all receipt slips, and reconcile the composition of receipt slips to the composition of transmittals to the County Treasurer.
- B. Ensure all receipt slips are posted to the receipt ledger.

Status:

- A. Partially implemented. Receipt slips are issued for all monies received, the method of payment is indicated on the receipt slips; however, the receipt slips are

not prenumbered. Although not repeated in the current report, our recommendation remains as stated above.

B. Implemented.

5. Circuit Clerk's Accounting Controls and Procedures

A. At December 31, 1997, an unidentified cash balance of \$8,706 existed in the checking account.

B. Outstanding checks from November 1995 totaling \$2,465 remained in the Circuit Clerk's checking account.

Recommendation:

The Circuit Clerk:

A. Work with the Circuit Judge to determine a fair method of disbursing the unidentified difference to the county's Unclaimed Fees Fund and the state's Unclaimed Property Section.

B. Attempt to identify and/or disburse all old outstanding checks through the applicable statutory provisions.

Status:

A. Not implemented. The current Circuit Clerk has an unidentified cash balance of \$8,402 at December 31, 1999. Although not repeated in the current report, our recommendation remains as stated above.

B. Partially implemented. The current Circuit Clerk has reissued a majority of the old outstanding checks. Although not repeated in the current report, our recommendation remains as stated above.

6. Sheriff's Accounting Controls and Procedures

A. The duties of cash custody and record-keeping were not adequately segregated.

B. Prenumbered receipt slips were not issued for some monies received by the Sheriff's office.

C. The method of payment was not always indicated on the receipt slips or the cash control.

D. Receipts were not deposited intact on a timely basis.

Recommendation:

The Sheriff:

- A. Ensure accounting and receipting duties are segregated to the best extent possible. At a minimum, the Sheriff should perform documented reviews of the work performed.
- B. Ensure prenumbered receipt slips are issued for all monies received immediately upon receipt.
- C. Ensure the method of payment is indicated on all receipt slips and reconcile total cash, checks, and money orders to bank deposits.
- D. Ensure receipts are deposited intact daily or when accumulated receipts exceed \$100.

Status:

A,C
& D. Not implemented. See MAR No. 4.

B. Implemented.

7. Oregon County Health Center

- A. Prenumbered receipt slips were not issued for some monies received by the Health Center.
- B. The method of payment was not always indicated on the receipt slips or the cash control.
- C. The Health Center Board approved disbursements in excess of budgeted amounts by \$28,038 for the year ended December 31, 1997.
- D. The Health Center board did not maintain property control records to account for property owned.

Recommendation:

The Health Center Board:

- A. Require prenumbered receipt slips be issued for all monies received.
- B. Require the method of payment be indicated on all receipt slips or the cash control and require total cash, checks, and money orders be reconciled to bank deposits.

- C. Not authorize disbursements in excess of budgeted amounts. If valid reasons necessitate additional disbursements, the original budget should be formally amended and reasons thoroughly documented.
- D. Require property records to be maintained on a current basis with the following information for each item:
 - 1) Identification number;
 - 2) Description of the item to include name, make, model, and serial number where appropriate;
 - 3) Physical location in sufficient detail to readily locate the item;
 - 4) Date of acquisition;
 - 5) Original cost and current market value;
 - 6) Source of acquisition by fund; and
 - 7) Date and method of disposition.

Status:

A-D. Not implemented. See MAR No. 5.

8. Oregon County Senate Bill 40 Board

- A. The Senate Bill 40 Board had not entered into a written contract with a NFP corporation.
- B. The Senate Bill 40 Board secretary's husband served as president of the NFP board. Because these two entities transact business with each other this situation may have presented a conflict of interest.
- C. The Senate Bill 40 Board approved disbursements in excess of budgeted amounts by \$985 for the year ended December 31, 1997.

Recommendation:

- A. The Senate Bill 40 Board enter into a written contract with the NFP corporation to specify the amount to be paid to the NFP corporation, the amount of services to be provided by the NFP corporation, and the time period of the contract. In addition, the contract should be signed by both parties.
- B. The County Commission, in the future, appoint persons to the Senate Bill 40 Board who are not administratively or financially involved in groups with which the county board conducts transactions.
- C. The Senate Bill 40 Board not authorize disbursements in excess of budgeted amounts. If valid reasons necessitate additional disbursements, the original budget should be formally amended and reasons thoroughly documented.

Status:

- A. The Senate Bill 40 Board began operating the sheltered workshop (the NFP noted above) in January 1999.

B&C. Implemented.

9. Oregon County Senior Citizens' Board

- A. The board had not entered into written contracts with the NFP's.
- B. One member of the SCB also served as the secretary of one of the NFP boards. In addition, this member's husband served on the same NFP board. Because the SCB and the respective NFP corporation transacted business with each other, this situation presented a potential conflict of interest.
- C. The SCB approved disbursements in excess of budgeted amounts by \$3,282 and \$3,561 for the years ended December 31, 1997 and 1996, respectively.
- D. The SCB prepared budgets which were incomplete for each of the two years ended December 31, 1997.

Recommendation:

- A. The SCB enter into a written contract with each NFP to specify the amount to be paid to the NFP corporation, the amount of services to be provided by the NFP corporation, and the time period of the contract. In addition, the contract should be signed by both parties.
- B. The County Commission, in the future, appoint persons to the SCB who are not administratively or financially involved in groups with which the county board conducts transactions.
- C. The SCB not authorize disbursements in excess of budgeted amounts. If valid reasons necessitate additional disbursements, the original budget should be formally amended and reasons thoroughly documented.
- D. The SCB prepare budgets as required by state law.

Status:

- A,B
& D. Not implemented. See MAR No. 6.
- C. Implemented.

STATISTICAL SECTION

History, Organization, and
Statistical Information

OREGON COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1845, the county of Oregon was named after Territory of Oregon. Oregon County is a county-organized, third-class county and is part of the Thirty-Seventh Judicial Circuit. The county seat is Alton.

Oregon County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Oregon County received its money in 1999 and 1998 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	1999		1998	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 127,941	8	114,002	7
Sales taxes	630,468	39	634,866	39
Federal and state aid	677,592	41	695,646	42
Fees, interest, and other	189,154	12	198,921	12
Total	\$ 1,625,155	100	1,643,435	100

The following chart shows how Oregon County spent monies in 1999 and 1998 from the General Revenue and Special Road and Bridge Funds:

USE	1999		1998	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 602,655	38	647,281	43
Public safety	410,459	26	383,786	25
Highways and roads	560,152	36	477,955	32
Total	\$ 1,573,266	100	1,509,022	100

The county maintains approximately 27 county bridges and 467 miles of county roads.

The county's population was 9,180 in 1970 and 9,470 in 1990. The following chart shows the county's change in assessed valuation since 1970:

		Year Ended December 31,				
		1999	1998	1985*	1980**	1970**
		(in millions)				
Real estate	\$	37.1	36.1	27.2	11.0	7.9
Personal property		16.2	15.6	7.2	4.9	3.2
Railroad and utilities		6.4	5.3	3.8	3.3	1.9
Total	\$	59.7	57.0	38.2	19.2	13.0

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Oregon County's property tax rates per \$100 of assessed valuations were as follows:

		Year Ended December 31,	
		1999	1998
General Revenue Fund	\$.06	.06
Special Road and Bridge Fund*		.25	.25
Health Center Fund		.10	.10
Senate Bill 40 Board Fund		.10	.10
Senior Citizens' Board Fund		.05	.05

* The county retains all tax proceeds from areas not within road districts. The county has one road district that receive(s) four-fifths of the tax collections from property within this district, and the Special Road and Bridge Fund retains one-fifth.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

Year Ended February 28 (29),		
	2000	1999
State of Missouri	\$ 18,928	17,193
General Revenue Fund	45,045	39,083
Special Road and Bridge Fund	93,048	87,126
Thayer Special Road District	54,662	47,010
Assessment Fund	25,857	22,663
Health Center Fund	62,347	56,308
Senate Bill 40 Board Fund	60,893	55,216
Senior Citizens' Board Fund	30,497	27,817
School districts	1,771,778	1,538,598
Library district	117,297	96,041
Ambulance district	87,389	78,658
Cities	37,496	30,297
Overplus	311	2,843
Advertising	0	338
County Clerk	145	149
County Employees' Retirement	16,593	15,605
Commissions and fees:		
General Revenue Fund	40,750	35,379
Total	\$ 2,463,038	2,150,323

Percentages of current taxes collected were as follows:

Year Ended February 28 (29),		
	2000	1999
Real estate	90.1 %	89.5 %
Personal property	86.8	86.6
Railroad and utilities	99.0	76.4

Oregon County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction
General	\$.0050	None	50%
General	.0050	None	None

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2000	1999	1998
County-Paid Officials:			
Leo Warren, Presiding Commissioner	\$	23,120	17,000
Johnny D. Wrenfrow, Associate Commissioner		21,120	17,000
Buddy Wright, Associate Commissioner		21,120	17,000
Gary Hensley, County Clerk		32,000	28,500
Ray Lee Caskey, Prosecuting Attorney		40,029	33,000
Tim Ward, Sheriff		34,000	33,000
Laurel Johnson, County Treasurer		23,680	18,710
John Q. Clary, County Coroner		5,500	5,500
Mike Crawford, Public Administrator *		22,056	17,174
L.J. (Jerry) Richardson, County Collector**, year ended February 28 (29),	33,457	28,781	
Charles Alford, County Assessor ***, year ended August 31,		32,900	32,900

* Includes fees received from probate cases.

** Includes \$1,457 and \$1,281, respectively of commissions earned for collecting city property taxes.

*** Includes \$900 annual compensation received from the state.

State-Paid Officials:

Janice Andrews, Circuit Clerk and Ex Officio Recorder of Deeds		44,292	
Noel Johnson, Circuit Clerk and Ex Officio Recorder of Deeds			42,183
William R. Hass, Associate Circuit Judge		87,235	85,158

A breakdown of employees (excluding the elected officials) by office at December 31, 1999, is as follows:

Office	Number of Employees Paid by	
	County	State
Circuit Clerk and Ex Officio Recorder of Deeds (1)	2	1
County Clerk	3	0
Prosecuting Attorney	2	0
Sheriff (2)	13	0
County Collector (3)	2	0
County Assessor	2	0
Associate/Probate Division	0	3
Road and Bridge	10	0
Health Center	12	0
Total	<u>46</u>	<u>4</u>

(1) Includes one employee paid half by the state and half by the county.

(2) Includes five part-time employees.

(3) Includes one part-time employee.

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Oregon County's share of the Thirty-Seventh Judicial Circuit's expenses is 17.52 percent.